

Pakistan posts record rice output

ISLAMABAD, Feb 5: Pakistan registered a record rice production of 4.7 million tons during 1998-99 fiscal year (July 1-June 30) which was 300,000 tons more than that of the previous year, reports Xinhua.

Sources from the Food and Agriculture Ministry said Thursday that 2.2 million tons rice was sufficient to meet domestic needs and 2.5 million tons of surplus rice could be exported to add to the foreign exchange reserves.

During 1997-98, Pakistan's rice production stood at 4.43 million tons and more than two million tons of surplus rice was exported by year earning a total of 554 million US dollars.

During the first half of the current year, Pakistan exported 852,660 tons worth of 203.7 million dollars. Rice export is expected to increase by the end of the current financial year as rice production was more than the previous year and the surplus could be exported, according to the sources.

They said that a significant increase had been registered in the production of wheat, cotton, rice and sugarcane during the current fiscal year. Pakistan has started exporting of sugar and demand for Pakistani cotton abroad was growing.

Currency roundup

Most Asian units higher

SINGAPORE, Feb 5: Most Asian currencies traded higher today against the US dollar in line with a strong yen, dealers said, reports AFP.

The yen climbed to a high of 111.75 against the dollar before worries about Japanese central bank intervention pushed it down to 112.15 from a close of 112.10 in New York and 113.60 in Singapore on Thursday.

Indications are again coming from the Japanese side that an excessively strong yen now will be bad for the depressed economy. So everyone is cautious," a dealer with a European bank said.

Analysts said the US dollar weakened earlier because political pressure was building in Tokyo for the central bank of Japan to buy government bonds in the primary market.

The substantial monetary easing that this would imply triggered US dollar weakness," Barclays Capital said in a market report.

The Singapore dollar rose to 1.6860 against the greenback from Thursday's close of 1.6905, the Philippine peso to 38.55 from 38.57, the Taiwan dollar to 32.246 from 32.261 and the South Korean won to 1,170 from 1,170.50. The Indonesian rupiah also strengthened to 8,650 against the dollar from 8,663.

US predicts slower growth, higher trade deficit in '99

WASHINGTON, Feb 5: The US economy, already in the longest period of uninterrupted growth in peacetime history, will keep expanding this year, but at a slower pace as recessions in one-third of the globe push America's trade deficit higher, the administration said, reports AP.

In its annual report card on the economy, the president's Council of Economic Advisers said Thursday that the current recovery, which will celebrate its eighth birthday next month, is doing even better than the nation's two other lengthy expansions in the 1980s and 1990s because inflation is still a no-show.

The administration used this year's "Economic Report on the President" to trumpet the benefits of the long recovery has provided, highlighting significant increases in wage gains for low-income workers.

This expansion, unlike recent previous ones, is both wide and deep," President Clinton said in his message transmitting the report to Congress. "All income groups, from the richest to the poorest have seen their income rise since 1993."

Clinton said typical family incomes have risen by \$3,500 when adjusted for inflation and black and Hispanic households, "who were left behind during the last economic expansion, have also seen substantial increases in income."

Government statistics have shown wage gains for various low-income groups have increased during the past two years but private economists noted that these gains were occurring after years of stagnation.

Many workers are climbing out of deep holes after having fallen behind for two decades," said Jared Bernstein, an economist for the Economic Policy Institute, a liberal Washington think tank.

Clinton said the economy's

good performance was not accidental but the result of the sound policies of his administration, including successful efforts to halt years of soaring federal deficits and begin producing federal surpluses.

But Republicans said the administration's report failed to give enough credit to the policies of Federal Reserve Chairman Alan Greenspan and the efforts of the Republicans to push budget balancing and welfare reform.

Rep. Nancy Johnson, head of the House Ways and Means subcommittee on human resources, said "One of the key reasons that more low-income Americans are working for higher wages is that welfare reform has helped millions of families off welfare rolls and onto pay rolls."

The administration's forecast projected that overall growth, as measured by the gross domestic product, will de-

cline to 2.4 per cent this year, a significant slowdown after the 3.9 per cent expansion in 1998. With last year's growth, the economy wrapped up a three-year stretch of the best growth performance since the mid-1980s.

In both the 1982-89 period and the 1961-69 period, inflation started to rise significantly by the seventh year, sowing the seeds of recessions as the Federal Reserve stepped in to combat rising price pressures with interest rate increases.

"This expansion has been not only long, but excellent, particularly in its record on inflation," Yellen told reporters at a briefing.

The current expansion is the longest in peacetime history and if it lasts until next February it will become the longest on record, surpassing the 106 months of the 1961-69 recovery, a period that covered the Vietnam War.

With the state-run Indian Drugs and Pharmaceuticals Ltd. in the red, demand for the five products previously had to be met by imports.

Foreign firms in India allowed to make 5 drugs

NEW DELHI, Feb 5: The Indian government gave foreign pharmaceutical firms the green light yesterday to manufacture five drugs previously monopolised by state-run companies, a government spokesman said.

The spokesman said government controls on production of Vitamin B1, Vitamin B2, Tetracycline, Oxytetracycline and Folie acid had been lifted to boost production.

These drugs were licensed for manufacture by only state-owned companies since 1978.

An official of the Indian Drug Manufacturers Association (IDMA) welcomed the move, saying the products had an "immense international market."

"It will help meet the domestic demand, more importantly, it will help foreign companies to set up base in India to make these drugs and export them as it has a good export market," IDMA chief Gopakumar Nair said.

With the state-run Indian Drugs and Pharmaceuticals Ltd. in the red, demand for the five products previously had to be met by imports.

Euro slide against dollar

ECB puzzled but not worried

FRANKFURT, Feb 5: European Central Bank President Wim Duisenberg on Thursday said the bank was puzzled but not worried by the euro's recent slide against the dollar, says Reuters.

The spokesman said help it with an intervention, Duisenberg said: "I don't know. Only if the euro were seriously out of line of fundamentals then there would come the desirability or a need for an intervention, but at the moment it is not the case."

Duisenberg said it was not clear what would be on the agenda of the February 20 meeting of the Group of Seven of the leading industrialised nations, but it could be expected that exchange rates and regimes would be among the discussed topics.

In this context Duisenberg reiterated the central bank's position that the currency's internal stability, measured by price stability had a clear precedence over any exchange rate considerations.

The ECB will not be in favour of any particular regime on foreign exchange rates, when it will force it to put aside its main objective of internal price stability," he said.

The euro which started its life at around 1.16 dollar has weakened significantly over the last weeks to slip to an all-time low of 1.1250 dollars in midday Thursday trade.

Analysts have said both the surprising strength of the US economy in the fourth quarter combined with the euro zone economic slowdown and ECB rate cut expectations have all weighed on the new currency.

Weekly Currency Roundup

During last week (ending on February 4) crisis on US dollar funds persisted in the local forex market. In the interbank market, dollar was traded at 2 to 3 paise above the central bank's selling rate of BDT 48.65. A number of banks were forced to purchase USD funds from the central bank after failing to manage its interbank operations. In the interbank market, USD traded between Tk 48.6750 and 48.6820. The scenario is expected to remain unchanged unless there is significant improvement in inward remittance.

In the kerb market, a unit of cash dollar traded between BDT 48.50 and 48.80.

In the money market front, Bangladesh Bank accepted treasury bills worth of BDT 3746 million (breakdown given below) against maturity of BDT 4755 million. Call rate was range bound at 7 and 8 per cent despite excess maturity of treasury bills due to surplus funds concentrated in few banks. Later in the week call rate dropped to the 6 and 7 per cent range as funds withdrawn during Eid started flowing back to banks accounts.

Treasury bills accepted on February 1, 1999		
Amount (BDT in million)	Tenor	Average yield
2693 million	28 days	7.56 per cent
180 million	91 days	8.55 per cent
20 million	182 days	9.18 per cent
553 million	364 days	9.60 per cent
300 million	2 years	10.32 per cent

In the international markets, Bank of England on Thursday cut UK base rate by 50 basis points to 5.5 per cent against expectations of 25 a basis points cut. However, GBP regained its losses on interest rate as traders strongly feel that there would not be any further cuts in the prevailing economic cycle. Bank of England's interest rate cut has fuelled concerns of similar move by the European Central Bank (ECB) and painted a glimmer European economic outlook, which has dragged euro down by more than 5 per cent since its inception on January 4, 1999. The dollar extended losses against the yen on long liquidation, rise in Japanese government bond yields and repatriation of funds ahead of Japanese fiscal year end on March 31, 1999.

During the week, USD ranged between 115.95 and 111.40 yen, euro ranged between \$1.1385 and \$1.1244 and GBP ranged between \$1.6475 and \$1.6295.

— Standard Chartered Bank

Egypt needs more reforms: Experts

and getting into the four big public banks," he told the agency.

There're expensive, they don't compete and they're over-staffed."

Rating agency Standard & Poor's, which on Thursday assigned its double "BPI" public information rating to BOA and MISR, said that they, "like the other public sector banks, are burdened by bad loans made to unprofitable industries during the directed lending era."

The agency said that asset quality improvement would depend on a successful privatisation programme. "The planned privatisation of the public sector banks themselves continues to be a cautious and politically sensitive endeavour," it said.

Egypt's economy is growing by more than five per cent a year and now enjoys low inflation, a small budget deficit and ample foreign exchange reserves of about 20 billion dollars.

Khalid Ikram, World Bank Director in Egypt, said Egypt needs to push ahead with reforms, especially privatisation of its four state commercial banks, National Bank of Egypt (NBB), Banque Misr (MISR), Banque Du Caire and Bank of Alexandria (BOA).

The main challenge for Egypt is faster privatisation



Steven Hwang of Samsung works on a 30-inch monitor, which is the largest LCD monitor at the Display Works '99 conference in San Jose, Calif., Wednesday. At left is the 21.3-inch monitor, at right is 17-inch monitor and far right is 15-inch monitor that are all less than two-inches thick. The conference focuses on manufacturing electronic screens.

British manufacturing sector in doldrums

the last two years."

He explained that the money goes directly to those who are supposed to benefit from it, minimising the risk of embezzlement.

The only instances where money goes to the Palestinian Authority itself are funds earmarked to support the budget and there are very few cases of this kind.

The European Commission has no intention whatsoever to suspend or freeze its assistance to the Palestinian people," it said.

Haaretz reported that the EU Mediterranean desk spokesman in Brussels confirmed that a freeze was under consideration, and quoted sources in the European Parliament in Strasbourg saying that the ambiguous financial statements that the Palestinian Authority has presented have raised serious suspicion of embezzlement by Arafat's close associates.

The bank official said about 30 cases against finance company executives were dropped due to insufficient evidence.

"But in cases where evidence is strong enough, we will file criminal complaints against former executives of each company to the economic crime police," he was quoted as saying.

A legal adviser at the bank told The Associated Press that if the defendants are found guilty, prison terms of up to 10 years or a fine of up to 1 million baht (\$28,000) will be imposed.

But Bechet said in his statement that he had "no knowledge of funds having disappeared in

haaretz published the accusations of few days before the February 4 donors' meeting in Frankfurt which Palestinian leader Yasser Arafat is due to attend.

According to Bechet the European Commission is planning to step up aid to Palestinians at that meeting.

Haaretz reported that the EU transferred 195 million euros (220 million dollars) to the Palestinians Authority in the last three years, much less than the 320 million euros (360 million dollars) originally envisaged.

The ban on sales of T-bone steaks and other beef on the bone — imposed over fears over the human version of mad cow disease — is to be maintained for another six months, it was announced yesterday, reports AFP.

Agriculture Minister Nick Brown told the House of Commons that the chief medical officer had advised that lifting the ban would pose a "renewed though very small risk" to the public.

The protection of the public must come first, the risk is very small but it is there," he told MPs.

"It is absolutely right to err, if err we do, on the precautionary side."

The announcement will come as a bitter blow to cattle farmers and butchers who had been hoping that Brown's appointment last summer would hasten the end of the ban, imposed in December 1997 by his predecessor Jack Cunningham.

As the regional financial crisis worsened, Indonesia's banks suffered increasingly from the currency's steep depreciation and numerous bad loans.

Financial planners have already approved recapitalisation plans for 12 banks, including two private institutions.

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"I know that this will be a great disappointment to many in the food and farming industries and many would be consumers," said Brown.

Farmer also criticised the move at a time of crisis for the beef industry, hit by a worldwide ban on British beef exports, falling European subsidies, a slump in domestic demand and increased costs due to new anti-BSE measures.

In November 1997, the European Union agreed to lift its two-and-a-half year worldwide ban on beef exports once the latest measures to eradicate BSE had been checked.

So far 35 Britons and one Frenchman have died from CJD.

National Broadcasting Authority, Bangladesh Betar, Administration Department, 121, Kazi Nazrul Islam Avenue, Dhaka-1000

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No 20 (66) Transport/Betar/99-532

Dated: 26-01-1999

Sealed tenders are hereby invited by Bangladesh Sugar & Food Industries Corporation on C&F Chittagong/Benapole basis for Import of the following items:

1. Tender No BSFIC/PD-1/All Mills/1616/98-99 date 25-1-99 for perforated Brass liner & RVF net.

2. Tender No BSFIC/PD-1/All Mills/1590/98-99 date 25-1-99 for Nickel Screens of Continuous Centrifugal Machine.

Tender documents with detailed specifications and other terms & conditions will be available from the Additional Chief Accountant (HO) of this Corporation at Adamjee Court (4th Floor), Motijheel C/A, Dhaka on cash payment of Tk 750/- (non-refundable) for each tender document. Tenders will be received up to 12:00 Noon on 4-3-99. No tender document will be sold on the day of opening.